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¶1. (U) Summary: The National Congress for Timorese Reconstruction (CNRT) held its first national congress April 28-30, under the slogan "The land has been liberated, it's time to liberate the people!" Delegates elected President Xanana Gusmao as the party president and Dionisio Babo Soares as its secretary general. Congress delegates were dominated by

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representatives of the former CNRT, the National Congress for Timorese Resistance, the non-partisan umbrella organization for East Timor's independence led by Gusmao until its dissolution in 2001, but there was also a large youth component. The elected leadership, with the exception of Soares, are all members of the older resistance generation. Until he steps down from his national position, Gusmao will not formally take over leadership of the party, leaving it nominally in the hands of one of the party's vice presidents. A key decision finalized at the congress was that CNRT would not enter into any coalition with other opposition parties for the purpose of the June 30 elections, despite serious discussions on this option in the weeks preceding. CNRT's relationship with the rest of the opposition remains a work in progress, with some unity emerging around their joint support of Jose Ramos-Horta's presidential bid, but resentment lingering regarding Gusmao's choice to establish his own party rather than support the existing opposition. The party has no detailed platform at this stage, but has established a commission tasked with working on future governance and policy issues. Both Gusmao and Ramos-Horta addressed the congress in their capacities as President and Prime Minister respectively, emphasizing national unity and the need for all parties to work together toward common national goals. End summary.

¶2. (U) The National Congress for Timorese Reconstruction (CNRT) held its first national congress April 28-30. There were a

total of 800 delegates with the right to vote, 734 from the districts and 66 national delegates. Elections were conducted by secret ballot, with the votes counted in the presence of all delegates. Two lists competed for the vote, both with President Xanana Gusmao at the top as party president, but with separate sets of names for the remaining leadership positions. However, the second list was regarded as mostly symbolic as the overwhelming number of votes went to "List A". This list included Dionisio Babo Soares as Secretary General. Soares, who is the Timorese co-chair of the Indonesian-East Timor bilateral Truth and Friendship Commission as well as Jose Ramos-Horta's campaign manager for the current presidential race, has already been serving as CNRT Secretary General, having taken on this position provisionally when the party was formally established last month. Other than Soares, the rest of the party leadership are all members of the older resistance generation, and despite the involvement of a number of women in the party's organization, are also all men. This includes: Antsnio Costa "Mau Hunu", Vice-President I; Eduardo Barreto "Dusae", Vice-President II; Virgilio Margal, Vice-President III; and Virgilio Smith "Kranek", Vice-President IV. Pending Gusmao stepping down from the presidency, Mau Hunu is the acting party president. As soon as Gusmao is out of office, the party will hold an extraordinary meeting in order to officially install him as its leader.

¶3. (U) The party delegates from the districts comprised primarily former representatives of the first CNRT (National Congress for Timorese Resistance), the non-partisan umbrella organization of the resistance led by Gusmao until its dissolution in 2001. There were also a large number of youth, most of whom appeared to have no previous party affiliation. Embassy staff also noticed a number of lower level former Fretolin party officials, primarily suco chiefs who campaigned for Fretolin as recently as the 2005 local elections. (Members of Fretolin's internal opposition, the Mudansa group, were present to observe but not as delegates.) There were also a number of individuals of interest among the delegates, including: the former National Police Commissioner, a Member of Parliament formerly of the Timorese Democratic Union (UDT); and

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some members of the Democratic Party (PD).

No coalition for CNRT

¶4. (SBU) An important decision made by the congress delegates was that CNRT would run alone in the parliamentary elections, putting the nail in the coffin of any coalition discussions. This decision was supported by delegates from 11 of the 13 districts. In the weeks previous to the congress, discussions had taken place concerning potential coalition combinations among CNRT, PD, PSD and ASDT. In the end, only ASDT and PSD signed an agreement to run together. They had hoped to have CNRT on board, but ultimately moved ahead with their own coalition agreement before the CNRT decision in light of the May 1 deadline for registering coalitions. There is still a question of how relationships with other opposition parties shape up as even without a coalition, coordinated and mutually supporting campaigns are still possible. CNRT's relationships with other opposition parties have been strained from the beginning, as key opposition leaders have resented Gusmao's decision to form his own party rather than throw his support behind theirs. Nonetheless, the other opposition parties have begun to deal with CNRT as a reality and possible ally rather than an idea to which they object. Most notably, the leadership of the largest opposition party, PD, has moved from being hostile to CNRT (in part due to the fact that Gusmao recruited from its own rank and file to support his new party) to engaging in ongoing dialogue. PD's Secretary General, Mariano Sabino, attended the CRNT congress' closing session.

Platform developing

¶5. (U) CNRT has no detailed platform at this stage, but according to decisions taken at the congress, will focus its campaign message on: national unity, stability, de-centralization of power, and international relations prioritizing Australia and Indonesia, with the importance of Portugal maintained due to historical ties and its role as a gateway to the European Union. (Good relations with the US, China and Japan were also mentioned as important.) In addition, the congress established a working commission tasked with working on future governance and policy issues. This commission is to set up technical groups to focus on the following priority areas: administrative reform in the government; administrative division of the country and local power; social and economic development of the country; reform of the judicial sector; revision of the financial and tax system; reform of the national parliament to increase its ability to act as a check on the government and revise laws; natural resources management; policy on national and foreign investment; and policy on assistance to veterans, old and vulnerable people.

Jose Ramos-Horta appears

¶6. (U) Prime Minister and presidential candidate Jose Ramos-Horta attended the opening ceremony, where he was enthusiastically welcomed and taken to the stage to make a speech. He appealed to national unity and reminded the audience to remember people like Mario Carrascalao (president of the opposition Social Democrat Party - PSD), who as governor under the Indonesian occupation "saved many people". He told the participants he was there with a message of hope, "hope in a Timor-Leste more inclusive, hope that we'll be able to overcome this crisis as long as all of us can be more tolerant and humble". Ramos Horta stressed that he was not there as a supporter of the party but as a supporter of the development of a "democratic process" and said that he wanted to pass the message that "CNRT wasn't created to combat Fretilin as a party, but for the combat of ideas and alternatives for the country". He went on to say that, "Everything indicates that CNRT will be an important political power that can create a healthy balance

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with Fretilin and the other political parties," and that "President Xanana wants to form a Government of national unity and of course he will also use some cadres from Fretilin... Fretilin has good and valid elements".

Xanana Gusmao speaks

¶7. (U) President Xanana Gusmao stayed away from the congress for the first two days, but arrived late in the third day to observe the voting process and attend the closing ceremony in his capacity as the nation's president. He delivered one of his long and pedagogic speeches, going back to 1974 when the creation of political parties was first allowed in East Timor, following the Carnation Revolution in Portugal. He noted how this development transformed people's behavior and ways of thinking, making old friends become enemies because they were in different political parties. Comparing the situation of intolerance and violence in 1975 to the present, he expressed the need to change this approach to political competition and appealed for an end of violence, for tolerance, and for political parties to work together, stressing the fact that two people being in different parties should not make them enemies.

¶8. (SBU) CNRT banners that appeared around Dili several days ahead of the congress were prominently displayed at the congress, and strongly link the old resistance network CNRT with the new political party CNRT and clearly associate it with Gusmao himself. The banners show side-by-side the old and new CNRT flags, which are notably similar. Next to the old flag is a photo of Gusmao in his FALANTIL (resistance fighter) uniform; next to the new flag is a photo of Gusmao as President. The slogan of the party is "The land has been liberated, it's time to liberate the people!" Fretilin has publicly announced its

intent to legally challenge the use of the CNRT moniker in light of its strong national historical association and has consistently accused Gusmao of abusing his office by associating himself with a political party. However, to date we are unaware of any specific legal action being taken by Fretilin.

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